

Testimony presented by:
Tamim Khaliqi, MD
406-727-5577

PUBLIC HEALTH, WELFARE & SAFETY ⁷
Exhibit No. 7
Date 2-19-07
Bill No. SB 417

Good Afternoon,

My name is Tamim Khaliqi. I am an anesthesiologist in Great Falls as well as Medical Director of Central Montana Hospital and I am honored to be providing testimony here today. I oppose SB417. You have no doubt heard about the financial issues that surround specialty hospitals; however, I'd like to talk a little bit about another aspect that comes to bear on this issue. Central Montana Hospital is licensed as a general hospital. This bill would prevent it from changing its license to a specialty hospital if it so chooses.

In their recent book, *Redefining Health Care*, Porter and Teisberg make a strong case for competition in health care. I would highly recommend this book to anyone interested in innovative solutions to rising health care costs. Porter and Teisberg state that healthy competition should drive improvements in processes and quality and thus result in lower costs—value for the customer. However, as they point out, current competition in healthcare is the wrong kind of competition. It is at the level of providers and insurance company and thus results in cost-shifting and the ever spiraling pursuit of larger consortia with ever increasing bargaining power. This results in cost shifting not cost savings. It tends to restrict access to healthcare and services rather than making them better, more efficient and value driven. Porter and Teisberg have argued that competition in health care should not be between institutions but at the disease level with patients seeking out, not the approved provider, but the best provider who can demonstrate outcomes on a disease by disease basis. They further suggest that high volumes of patients with a particular disease, treated by a team that specializes in that disease will produce better outcomes and lower the cost. Common sense would tell us that when a team limits their scope of service, they should become more expert in that field.

I have had the opportunity to be associated with 2 “specialty hospitals” during my medical school training in Houston, TX. Both, MD Anderson Cancer Clinic and Texas Heart Institute, are world-renown for their expertise in a single specialty. This specialization has not lead to “cherry-picking”, the demise of local hospitals or any of the catastrophic scenarios suggested by proponents of this bill. Instead, they have truly become world experts in their fields. People from around the country and the world would travel to these hospitals for care. Anyone seeking care was seen at these hospitals, and they often took the worst of the worst because they alone were qualified to handle such cases. The other hospitals in the Texas Medical Center (and there were many) and greater Houston proliferated and prospered despite the “specialization” of MD Anderson and Texas Heart Institute. I ask where would modern health care be without the innovations in treatment protocols, drug therapy and surgeries that were developed at these two “Specialty Hospitals”?

Specialty hospitals by their very nature specialize. They are able by volume, expertise and experience deliver superior quality care and added value when allowed to compete as what they are—specialty centers. To demand that they look like a general hospital is to shackle their ability to truly shine in a specific disease area.

I ask that you seriously consider rejecting any legislation that would severely limit a new and innovative health care delivery system. A system that has been proven to provide higher quality. A systems that focuses on the patient and specific disease processes rather than the status quo.

Thank you.